



Meeting Date: March /13 /2007

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s) _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s) _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other

Prepared By: Carrie Sabatini *Sabatini* Agenda Item No. I-6
 Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other _____

DATE: March 2, 2007
TO: Housing Authority Commission
FROM: Salvador Gonzalez, Housing Director *[Signature]*
 Housing Department

SUBJECT: Low Rent Public Housing Budget Revisions for Fiscal Year 2007

RECOMMENDATION

That the Board of Commissioners of the Housing Authority of the City of Oxnard approve the following adjustments to revenue and expenditures: (a) an increase in operating subsidy as funded by the U.S. Department of Housing and Urban Development (HUD); (b) a reclassification of tenant service salaries and benefits to administrative salaries and benefits; (c) an additional appropriation of \$14,000 for tenant service salaries to fund the Family Self-Sufficiency (FSS) Coordinator position; (d) an additional appropriation of \$10,000 for tree trimming; and (e) an additional appropriation of \$20,000 for exterior painting of the Fashion Park Apartment site.

DISCUSSION

This budget revision pertains exclusively to the 780 units of the Low Rent Public Housing (LRPH) owned and operated by the City of Oxnard Housing Authority (OHA). On March 28, 2006, the Board of Commissioners approved the operating budget of \$4,599,674 for the Authority's LRPH program which reflected a budget deficit of \$125,000. Upon review of the revenues and expenditures at mid-year, there were a few items that require adjustment.

The first item requiring adjustment is the operating subsidy. Several factors contribute to this adjustment. In the budget, as adopted on March 28, 2006, it was estimated that HUD would fund the OHA based upon 88% of its eligible amount. HUD actually only funded at 85.5% of eligibility for calendar year 2006 (HUD now funds on a calendar year rather than on a fiscal year basis), thereby reducing the amount of subsidy we received in the first half of the year (July 1-December 31, 2006) by approximately \$88,000. Also, as previously presented to the Board, HUD is implementing the new asset management philosophy for managing public housing. This implementation includes a change in the manner operating subsidy is calculated effective with the calendar year 2007 subsidy. For 2007, the OHA is eligible to receive \$1,131,080, twice as much as calendar year 2006. HUD, however, is prorating the funding in 2007 at 76% of eligibility. This results in an increase in subsidy for the second

half of the year of approximately \$184,000. The combination of the decrease in the first half of the year and the increase in the second half of the year results in a net increase in subsidy of \$95,480.

The next item requiring adjustment is tenant service salaries and benefits. As a result in shifting the accounting to comply with HUD's asset management model, the salaries and benefits of the public housing program staff, which were previously charged under tenant services, are now to be charged as administrative salaries and benefits. Staff, therefore, requests adjustment to the budget to match where the salaries are being charged. This would reclassify \$484,879 of tenant service salaries and \$2,000 of tenant services overtime to administrative salaries; and \$174,585 from tenant services benefits to regular employee benefits.

Third, staff recommends an additional appropriation of \$14,000 for funding of the FSS Coordinator. This unique Housing Specialist position provides assistance to public housing residents to help them become self-sufficient and was previously funded through a dedicated grant. That grant, however, was not re-funded for 2006. In an effort to retain the services this coordinator provides, it is proposed that the coordinator perform the case work of a recently vacated Housing Specialist position (including income recertifications) in addition to providing the FSS Coordinator services. The budget for that position, however, is not adequate to fully fund the position through year end. An additional \$14,000 would be required.

Fourth, staff recommends an additional appropriation of \$10,000 for tree trimming throughout the project areas. In prior years, funding for this service was reduced due to budget restrictions, but due to an increasing need for trimming the now overgrown trees at the projects, staff recommends the additional appropriation at this time.

Lastly, staff recommends an additional appropriation of \$20,000 for painting contracts to paint the exterior of the Fashion Park site. The buildings at that site have not been painted in many years and painting would help improve the appearance of the site as well as the surrounding neighborhood.

Total additional appropriations are \$44,000, which is approximately half of the additional subsidy the Housing Authority expects to receive for this fiscal year. The remainder of the additional subsidy would contribute to the reduction of the budget deficit. At this time, staff believes that the remaining \$73,520 budget deficit can be managed and will not require the use of program reserves.

FINANCIAL IMPACT

As of December 31, 2006, the Authority's LRPB operating reserve has a balance of \$878,412. The fiscal year 2007 budget will not likely require a reduction of the reserves. In comparing the reserves to the operating budget, a ratio of 19% will result.

Attachment #1- Budget document

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**OXNARD HOUSING AUTHORITY
PUBLIC HOUSING PROGRAM
PROPOSED MID-YEAR BUDGET REVISIONS
FY 2006-2007**

	FY06-07 Approved Budget	Requested Revision	FY 06-07 Revised Budget
Annual Rental Revenue	3,876,408		3,876,408
Non Rental Income	40,980		40,980
Miscellaneous Revenue	30,000		30,000
Interest Income	35,000		35,000
Sub Total	3,982,388		3,982,388
Subsidy	492,286	95,480	587,766
Total Revenue	4,474,674	95,480	4,570,154
Salary Expense	462,585	486,879	949,464
Legal	9,070		9,070
Travel	15,000		15,000
Audit Expenses	10,400		10,400
Publications	1,440		1,440
Dues	1,490		1,490
Telephone/City	27,870		27,870
Telephone/GTE	8,250		8,250
Court Costs	500		500
Computer Consultant	750		750
Copying	14,000		14,000
Postage	13,000		13,000
Paper Supplies	1,400		1,400
Cable	1,000		1,000
Office Supplies	10,000		10,000
Miscellaneous sundry	14,000		14,000
Printing Expenses	7,000		7,000
City Overhead	29,000		29,000
Advertising	2,000		2,000
Total Administrative Expenses	628,755	486,879	1,115,634
Tenant Services Salaries	484,879	(474,979)	9,900
Tenant Services Benefits	174,585	(170,485)	4,100
Tenant Services Overtime	2,000	(2,000)	
Tenant Contract/Service Provider	20,700		20,700
TA Participation	16,786		16,786
Total tenant Services	698,950	(647,464)	51,486
Maint Salary	581,906		581,906
Ground work Salary	312,884		312,884
Maint Salary/Overtime	21,550		21,550
Maint Salary/Stand by	25,860		25,860
Total Maintenance sal	942,200		942,200
Paint Exp	25,000		25,000
Grounds Exp	20,000		20,000
Appliance Exp	20,000		20,000
Plumbing Exp	35,000		35,000
Electrical Exp	12,500		12,500

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**OXNARD HOUSING AUTHORITY
PUBLIC HOUSING PROGRAM
PROPOSED MID-YEAR BUDGET REVISIONS
FY 2006-2007**

Building Mat'l	51,000		51,000
Glass Expense	5,000		5,000
Lock Expense	8,000		8,000
Janitorial Exp	10,000		10,000
Uniform Exp	6,000		6,000
Safety Equipt Exp	3,000		3,000
Tool Expense	9,000		9,000
Tree Expense	3,000	10,000	13,000
Total Material Expenses	207,500	10,000	217,500
Heating/Air	9,000		9,000
Equipment Repair Exp	1,500		1,500
Fire Alarm Exp	3,000		3,000
Elevator Exp	10,000		10,000
Trash Removal Exp	200,000		200,000
Dump Charge Exp	8,000		8,000
Vacancy Exp	100,000		100,000
Pest Control Exp	5,000		5,000
Burglar Alarm Exp	13,000		13,000
D street - Burglar alarm	2,000		2,000
Painters	53,508		53,508
Painting Contract-31-7		20,000	20,000
Vehicle Exp	40,000		40,000
Drape Exp	6,000		6,000
Miscellaneous contract	10,000		10,000
Total Contracts Expenses	461,008	20,000	481,008
Total Ordinary Maintenance	1,610,708	30,000	1,640,708
Insurance	212,000		212,000
Worker Compensation	168,000		168,000
PILOT	78,000		78,000
Employee Benefits	528,517	174,585	703,102
Collection Loss	15,000		15,000
Total General Expenses	1,001,517	174,585	1,176,102
Total Routine Expenses	3,939,930	44,000	3,983,930
Water	245,290		245,290
Electricity	180,230		180,230
Gas	59,271		59,271
Wastewater	174,953		174,953
Total Utilities Expense	659,744		659,744
Total Expenses	4,599,674	44,000	4,643,674
Operating Income (deficit)	(125,000)		(73,520)
Extraordinary Maintenance			
Casualty Loss			
PY Adjustment			
Equipment Improvement/Addition			
(Deficit)/Residual Revenue	(125,000)		(73,520)

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